

Guidelines for B.Com Semester II
Paper No CP 2.1 Semester 2
BUSINESS AND INDUSTRIAL LAWS
(Approved in the meeting of college teachers on December 07, 2011)

Duration: 3 hrs.

Max. Marks: 100

Lectures: 75

Objectives: To familiarize the students with the understanding and provisions of business and industrial related laws. Case studies and problems involving issues in business and industrial laws are required to be discussed.

Course Contents:

Unit I-The Indian Contract Act, 1872-----Weightage of 20 Marks: (Lectures: 20)

- 1) Concepts of agreement, enforceability, proposal, promise, consideration for promise, reciprocal promise, consensus- ad-idem; essentials of a valid contract (section 10) with examples and case law.
- 2) Classification of contract including difference between void agreement and voidable contract, difference between void and illegal agreement with examples and case law.
- 3) Offer and acceptance including essential elements of a valid offer, essentials of a valid acceptance, specific offer v general offer, standing offer, communication, acceptance and revocation of offer, lapse of offer with examples and case law.
- 4) contractual capacity including nature of a minor's agreement, legal position of a minor, agreements for necessities of life, soundness of mind, legal disqualification with examples and case law.
- 5) Free consent including elements of coercion, (section 15), undue influence (section 16), fraud (section 17), misrepresentation (section 18) mistake (section 20, 21, and 22) with examples and case laws, contract with pardanashin woman, difference between coercion and undue influence, distinction between fraud and misrepresentation.
- 6) Consideration including essential elements of a valid consideration, no consideration no contract, doctrine of privity of consideration and doctrine of privity of contract with examples and case law.
- 7) Void Agreements including sections 11, 20, 23, 24, 25, 26, 27, 28, 29, 30, and 56), elements and exceptions with examples and case law.
- 8) Quasi Contracts including Kinds of Quasi Contracts (Sections 68 to 72) with examples and case law.
- 9) Discharge of Contracts-**exclude modes of discharging a contract.**
- 10) Remedies of Breach of Contracts including doctrine of quantum meruit, law governing damages, mitigation of damages, liquidation of damages and penalty, with examples and case law.
- 11) Contract of Indemnity and Guarantee including essential elements of a contract of indemnity, rights and liabilities indemnity-holder, essential elements of a contract of guarantee, kinds of guarantee, nature and extent of surety liability, rights and discharge of

surety from liability, difference between contract of indemnity and guarantee, with examples and case law.

- 12) Law of Agency including essential elements of valid agency, creation or formation of agency, duties and rights of the agent, agent's authority with examples and case law. **Exclude types of agent, sub-agent and substituted-agent, relationship between the principal, agent and third party, termination an agency relationship.**
- 13) Bailment including distinction between bailment and sale, license, debt; essential features of a valid bailment; types of bailment; rights and duties of bailor and bailee; termination of bailment; particular and general lien; difference between general and particular lien; finder of goods with examples and case law.

Unit II-The Sale of Goods Act, 1930

Weightage of 10 Marks: (Lectures: 10)

- 1) Contract of Sale including difference between sale and agreement to sell, essentials of a valid contract of sale; difference between sale and barter; contract for work and labour; classification of goods; effects of destruction or deterioration of goods; modes of fixing the price; difference between sale and hire purchase agreement with examples and case law.
- 2) Conditions and Warranties including types of condition and types of warranty; when condition to be treated as warranty; difference between condition and warranty; doctrine of caveat emptor and exceptions to the doctrine of caveat emptor; with examples and case law.
- 3) Transfer of property in goods including rules for ascertaining intention; reservation of the right of disposal; passing of risk, exceptions to passing of risk; transfer of title by non-owners, exceptions to the *nemo dat* principle; modes of effective delivery of goods with examples and case law.
- 4) Unpaid Seller and his rights including rights against the goods and against the buyer; rights where the ownership of goods is not-transferred; buyer's remedies against seller with examples and case law.
- 5) **Exclude Auction Sale**

Unit III-The LLP Act, 2008

Weightage of 15 Marks: (Lectures: 20)

Salient features of LLP, difference between LLP and partnership, LLP and company, LLP agreement, nature of LLP, partners, designated partners, incorporation document, incorporation by registration, registered office of LLP and change therein, change of name, partners and their relations, extent and limitation of liability of LLP and partners, whistle blowing, contributions, financial disclosures, annual return, taxation of LLP, conversion to LLP, winding up and dissolution of LLP.

Unit IV- Payment of Wages Act, 1936

Weightage of 12 Marks: (Lectures: 8)

Definitions: employed person, employer, factory, industrial or other establishment, wages. responsibility for payment of wages, fixation of wage period, time of payment of wages, mode of payment, deductions from wages and fines, with examples and case law.

Unit V- The Payment of Bonus Act, 1965**Weightage of 12 Marks: (Lectures: 10)**

Definitions: accounting year, allocable surplus, available surplus, employee, employer, establishments, establishment in public sector, salary or wage. Determination of bonus, calculation of bonus, eligibility for bonus, disqualifications for bonus, payment of minimum and maximum bonus, set on and set off of allocable surplus, adjustment of customary or interim bonus, deductions of certain amounts from bonus payable, time limit for payment of bonus, recovery of bonus from an employer, with examples and case law.

Unit VI- Payment of Gratuity Act, 1972**Weightage of 6 Marks: (Lectures: 7)**

Applicability and non- applicability of the Act, employee, employer, continuous service, payment of gratuity, forfeiture of gratuity, employer's duty to determine and pay gratuity, recovery of gratuity, penalties, with examples and case law.

CASES TO BE COVERED

Indian Contract Act, 1872
Balfour V Balfour (1919) 2 KB 571
Upton Rural District Council V Powell (1942) All ER 220
Carlill v. Carbolic Smoke Ball Co. [1893] Q.B. 256 (C.A.)
Lalman Shukla v Gauri Datt 1913 All HC 11 ALJ 489
Col. D.I. Mac Pherson v M.N. Appanna and Anr. AIR 1951 SC 184
Harbhajan Lal v Harcharan Lal AIR 1925 All 539
Partodge v Critterden, 1968 ALL ER 421
Harvey v Facey, [1893] A.C. 552. (Privy Council of Jamaica)
Felthouse v Bindley (1862) EWHC CP J 35, (1863) 7 LT 835
Powel v Lee 1908 24 TLR 606, 1908 99 LT 284
Neal v Merret, 1930, W N 189
Henthorn v Fraser (1892) 2 Ch. 27
Abdul Aziz V Masum Ali, 1914, 36 All. 268
Durga Parsad v Baldeo (1880) 3 All 221
Chinnaya v Ramaya 1882, 4 Madras 137
Rajlukhy Dabee v Bhoothnath Mukherjee (1900) 4 Cal WN 488
Kedarnath Bhaattacharya v Gauri Mohammed 1886-87, 14 Cal, 64 Cal HC
Dunlop Pneumatic Tyre Co v Selfridge & Co. (1915) A.C. 847
Nawab Khwaja Mohd. Khan v Nawab Hussaini Begum (1910) 32 All 410, (1910) 12 BOMLR 63
Shuppu V Subramaniam ILR (1910) 33 Madras 238
Smith & Snipes Hall Farm Ltd. V River Douglas Catchment Board 1949, 2 K.B. 500
Mohoribibee v Dharmodas Ghose, (1903) ILR 30 Cal 539 (PC).
Burnard v Haggis (1863) 143 ER 360
Inder Singh v Parmeshwardhari Singh AIR 1957 Pat 491

Chikham Amiraju v Chikham Seshamma (1912) 16 IC 344 Madras HC
Muthia v Muthu Karuppa (1927) 50 Madras 786
Moody v Cox (1917) 2 Ch. 71
Sher Singh And Ors. V Pirthi Singh And Ors. AIR 1975 All 259
Derry v Peek ,1889, 14 A.C.337
Horsfall v Thomas 1862, 1 H&C 90
Rex v Kysant (1932) 1 K.B. 442
Rajagopala Iyer v South Indian Rubber Works 1942, 2 ML 228
Oriental Banking Corpn. v John Flemming (1879) 3 Bombay 242
Smith v Land and House Property Corporation (1884) LR 28 Ch D 7
Peek v Gurney 1873, LR 6 HL 377
Phillips v Brooks Ltd. (1919) 2 KB 243
Cooper v Phibbs (1867) LR 2 HL 149
Raffles v Wichelhaus (1864) 2 H&C 906
Couterier v Hastie (1856) 5 HL Cas 673
Griffith v Brymer (1903) 19 TLR 434
Sowler v Potter (1940) 1 KB 271
Cundy v Lindsay (1878) 3 AC 459
King's Norton Metal v Edridge Merret (1897) TLR 98
Foster v Mackinnon (1869) LR 4 CP 704
Badu v Badarnessa (1919) CLJ 230
Hakam Singh V M/S. Gammon (India) Ltd 1971 AIR 740, 1971 SCR (3) 314
Keshavlal Lallubhai Patel V Lalbhai Trikumlal Mills Ltd 1958 AIR 512, 1959 SCR 213
Babasaheb Rahimsaheb v Rajaram Raghunath Alpe (1931) 33 BOMLR 260, AIR 1931 Bom 264
Venkataramana v Sanyasayya A.I.R. 1934 Mad. 136
State of Bombay v R.M.D. Chamarbangwala AIR 1957 SC 699
Hadley v Baxendale (1854) 9 Exch 341; [1854] EWHC Exch J70; [1854] Eng R 296
Planché v Colburn (1831), 8 Bing.14
Sumpter v Hedges (1898), Q.B 673
Hobbs v London & South Western Railway Co. (1875) L.R. 10 Q.B. 111
Charter v Sullivan [1957] 2 QB 117 32
Jarvis v Swans Tours [1973] 1 All ER 71
Gajanan Moreshwar Parelkar V Moreshwar Madan Mantri, AIR, 1942, Bom, 302
Osman Jamal & Sons v Gopal Purshottam, 1928 ILR 56 Cal 262
Swan v Bank of Scotland 1836, 10 Bligh NS 627
Hobson v Bass 1871, 6 Ch. A 792
Midland Motor Showrooms V Newman (1929) 2 K.B. 256
Appleton v Ritchie Taxi [1942] 3 D.L.R. 546
Ultzen v Nichols [1894] 1QB 92; [1891-94] All ER Rep 1202
Ashby V Tallhurst [1937] 2 All E.R. 837
Crawford v Kingston and Johnston {1952} O.R. 714
Marten v Town and Country Deli (1964) 42 D.L.R. (2d) 449
Houghland V R.R. Low (Luxury Coaches) Ltd. [1962] 1 Q.B. 694, [1962] 2 W.L.R. 1015; C.A.
Martin V London County Council [(1947) KB 628J

Jugilal Kamlatpat Oil Mill v Union of India, AIR 1976, SC 227
Purshottamdas v Union of India, AIR 1967, All 549
Eduljee v Cafe John Bros ILR 1944 nag. 37; AIR 1943 nag 249
Syndicate Bank V Devendra Karkera, AIR 1994 Kant 1, 1993 (4) KarLJ 323
Chief Controlling Revenue V Sudarsanam Picture, Madras, AIR 1968 Mad 319
Ireland v Livingstone (1872) 5HL 395
Panorama Ltd. v Furnishing Fabrics Ltd. [1971] 2 Q.B. 711
Trueman v Loder, (1840) 11 Ad & El 589; 1840, 9 LJ QB 165
Debenham v Mellon (1880) 6 App. Cas. 24
Bolton Partners v Lambert. [1889] 41 Ch D 295, 302
Keighley, Maxsted & Co v Durant [1901] AC 240, [1894] 70 L.T. 155.
Newborne v Sensolid (GB) Ltd [1954] 3
Sale of Goods Act, 1930
Union Of India V Central India Manufacturing Co 1977 AIR 1537, 1977 SCR (3) 437
Bell v Lever Brothers Ltd [1932] AC 161
Aldridge vJohnson (1857) 7 E. and B. 885
Robinson V Graves, 1932 R 2021; [1935] 1 KB 579
Couturier v Hastie (1856) 5 HLC 673; 10 ER 1065 House of Lords
Asfar v Blundell [1896] 1 QB 123
Helby v Malthews 1895, AC 471
Baldry v Marshall [1925] 1 KB 260
Niblett v Confectioners' Materials Ltd [1921] 3 KB 387, CA
Varley v Whipp 1900, 1 Q. B. 513
Drummond v Van Ingenl (1887) 12 App CAS 284, HL
Griffiths v Peter Conway Ltd. 1939, 1 All ER 685
Jones v Just 1868, LR 3 QB 197
Morelli v Fitch & Gibbons 1928, 2 K.B. 636
Ranbirsingh Shankarsingh Thakur V Hindusthan Gen Electric AIR 1971 Bom 97
Frost v Aylesbury Dairy Co [1905] 1 KB 608; 92 LT 527; 21 TLR 300, CA
Smith v Hughes (1871) LR 6 QB 597
Dennant v Skinner (1948) 2 KB 164, 2 ALL ER 29
Underwood v Burgh Castle, (1921) 1 K.B.343, 126 LT 401
Turley v Bates (1863) 2 H & C 200; 159 ER 83
Rhode v Thwaites 1827, 6 B & C 388; 108 ER 495
Healey v Howlett & Sons 1917, 1 KB 337; 116 LT 591
Poole v Smith's Car Sales Ltd. 1962, 2 All ER 482 CA; 1 WR 744
Mirabita V The Imperial Ottoman Bank, (1878) 3 Ex.D. 164 (CA)
Martineau v Kitching (1872) L R 7 Q B 4 3 6 ; 2 6 L T 8 3 6
Horn v Minister of Food (1948) 2 All ER 1036; 65 TLR 1906
Multanmal Chempalal V C.P. Shah & Co, AIR 1970 Kant 106, AIR 1970 Mys 106
Rameshwar vTarasingh and Ors.MANU/RH/0090/1958
Farquharson Bros v King (1902), 86 LT 810; 18 TLR 665, HL; HLAC 325
Lowther v Harris [1 9 2 7] 1 KB 3 9 3 ; 1 3 6 LT 3 7 7 ; 4 3 T L R 2 4
Pearson v Rose & Young [1951] 1 KB 275; [1950] 2 All ER 1027, CA

Car and Universal Finance Co Ltd v Caldwell 1964, 1 ALL ER 290, CA; [1965] 1 QB 525
Staffs Motors Guarantee Ltd. v British Wagon Co. 1934, 2 KB 305
Bolsize Motor Supply Co. vCox 1914, K.B. 244
Hartley v Hymans (1920) 3 K B 4 7 5
Dixon V Yates, 5B & Ad. 313
Shipton Anderson & Co v Weil Brothers & Co [1912] 1 KB 574, 106 LT 372
Law & Bonar Ltd v British American Tobacco Ltd [1916] 2 KB 605
Cooke vLudlow. HT1806. CP 2 NR 119
Thomas Young & Sons Ltd v Hobson & Partners (1949) 65 TLR 365 (CA)
Valpy v Gibson 1847, 4 CB 837
Lyons v Hoffnung 15 A.C. 391 PC
Whitehead v Anderson 9 W & M 518
Payment of Wages Act, 1936
Laxmi Vishnu Textile Mills Ltd v Abdul Aziz Sutar (1998) 2 LLJ 109 (Bom)
Ram Kishan & Others v DDA & Anr. 2006 Lab IC (NOC) 77 (2005) 118 DLT 29
National Federation of Telecom Employees v BSNL& Others 2007 LLR 671 (Cal HC).
Supt Engineer, Electricity Transmission Circle, Kanpur and Ors. v Prescribed Authority, (Payment of Wages Act City Magistrate, Kanpur and Ors.) 2008 LLR 729, (Allahabad HC
The Payment of Bonus Act, 1965
Kerala State Civil Supplies Corporation v Industrial Tribunal, 2007 LLR 525 (Kerala HC)
Deccan Merchant Co-op. Bank Ltd v Avdhoot Marutirao Rane & Anr, 2008 LLR 30, Bom H).
Workmen v Associated Rubber industries Ltd (1985) 4 SCC 114: 1985 SCC (L&S) 957
Upendra Chandra Chakraborty v United Bank of India 1985 Supp SCC 26: Indlaw SC 213
State Bank's Staff Union Madras v Union of India and Others, 2005 Indlaw SC 554
A.P. Foods v S. Samuel and Others, 2006 Indlaw SC 287
H.P. State Electricity Board and Anr.v Ranjeet Singh and Ors. 2008 LLR 765 (Supreme Court).
Payment of Gratuity Act, 1972
Food Corp of India and Anr. v V.Mohammed Manzil & Ors. 2008 LLR 154, (Kerala HC).
Management of Asian Paints (Indian) Ltd. v Appellate Authority under the Payment of Gratuity Act and Another, 2008 LLR 541, (Karnataka HC).
Divisional Personnel Officer, Southern Railway, Palghat v Appellate Authority Gratuity Act, 1972 and Regional Labour Commissioner (Central) and Ors 2010 LLR 414 (Mad HC)
Voltas Limited v Chandrakant Y.Bhramhane & Ors, 2008 LLR 84, (Bom HC)
Jeewanlal Ltd. v Appellate Authority 1984 Indlaw SC 198
Rajnagar Textile Mills v Gunvant Lalchanddas Kayastha 2010 LLR 869 (Guj HC)
Devinder Singh v Food Corporation of India and Ors. (P&H HC, 2008 LLR 934)
Neyveil Lignite Corporation Ltd. v O. Raju and Others 2010 LLR 506 (Mad HC)
Punjab and Sind Bank, Chandigarh v Regional Labour Commissioner (Central) and others, 2008 LLR 735 (P&H HC).